

I'm opposed to House Bill 4632 for a number of reasons.

The bill sets a separate and unequal standard for vehicle registration taxes, based solely on the vehicle being labeled a hybrid. The sponsor's intent may have been to capture motor fuel taxes that hybrid vehicles don't pay because most hybrids – not all – get better fuel mileage than non-hybrid vehicles. If high fuel economy is responsible for insufficient tax revenue, then why limit higher registration taxes to hybrid owners? Any vehicle that achieves better than the average fuel economy – or, using the proposed legislative language, the CAFE standard – should be required to pay additional taxes, whether it is a hybrid vehicle or not. But the bill doesn't do that – it penalizes hybrid vehicle owners.

The 2012 Buick Regal hybrid has an EPA estimate of 29 mpg combined. The 2012 Chevrolet Silverado hybrid truck gets 21 mpg combined. Yet the bill penalizes the owners by taxing them more than non-hybrid owners – and they pay more in fuel taxes than many non-hybrids. For instance, the 2012 Chevrolet Cruze Eco, which is not a hybrid, has an EPA estimate of 33 combined mpg and 42 mpg highway – better than the CAFE standard. Why would a hybrid owner have to pay more to register (ostensibly because they get super high mileage and thus pay less in motor fuel taxes) when they actually get less miles per gallon than a non-hybrid owner and end up paying more in fuel taxes.

The bill includes a 50% reduction in registration taxes for a vehicle's tenth and subsequent registrations – except for hybrid vehicles. Why isn't a hybrid vehicle eligible for the same reduction in taxes? If it's good public policy to lessen registration taxes based upon a vehicle's age, then why are hybrids excluded?

The bill's hybrid vehicle registration tax formula contains a mistake so that the reader is unable to ferret out what reasonable amount the sponsor intended.

	Annual Miles	x CAFE	x Gas Tax	÷ 2 =	Registration Tax
car:	15000	x 33.3	x \$0.19	÷ 2 =	\$47,452.50
truck:	15000	x 25.2	x \$0.19	÷ 2 =	\$35,910.00

If by chance, the bill's sponsor intended the registration tax to be 1/100<sup>th</sup> the amount above (\$474.52 for a car), then the car owner will have paid the motor fuel tax equivalent of 58,278 miles of driving a CAFE standard (33.3 mpg) car before leaving the driveway and that's even with subtracting \$142.00 (the proposed registration tax for a non-hybrid vehicle costing \$24,000) from \$474.52. How is that reasonable?

I understand the need to pay for maintaining roads and bridges. Vehicles are certainly getting better fuel economy, which leads to less tax revenue yet road repair costs are rising. But the bill doesn't base registration taxes on a vehicle's EPA-estimated mileage. That is, registration taxes aren't higher for high mpg vehicles and lower for low mpg vehicles. Hybrid vehicle sales in 2012 amounted to less than 2% of all new vehicle sales in Michigan. The bill's sponsor is placing an inordinate amount of blame for a lack of tax revenue on hybrid owners – way out of proportion to the actual number of all hybrids registered, which is certainly much less than the 2012 new sales percentage figure. There are about 95.5 billion miles driven each year in Michigan and 8.9 million vehicles registered, which yields an average of 10,761 miles per vehicle. The difference in fuel taxes paid by a 50 mpg hybrid and a 33.3 mpg CAFE standard non-hybrid is only \$20.51.

State gas taxes haven't changed since 1997 and legislators could have simply raised the tax one penny every session or two – then we wouldn't be facing the degree of need we now face. Owners of hybrid vehicles aren't asking for thanks for leaving more gas at the pump for others and we're not expecting thanks for emitting less air pollution than other vehicles. We're just looking for equitable, fair treatment. House Bill 4632 is unreasonable and punitive to hybrid vehicle owners.

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I'm opposed to House Bill 4608 as introduced.

The bill adds an additional fee for vehicle registration that is disproportionate. As introduced, the owner of an electric or alternative fuel vehicle would pay an additional amount of \$25 or \$75, depending upon the secretary of state determining if the vehicle is partially powered or primarily powered by a fuel other than motor or diesel fuel. There are about 95.5 billion miles driven each year in Michigan and 8.9 million vehicles registered, yielding an average of 10,761 miles. The difference in fuel taxes between a partially powered 60 mpg alternative fuel vehicle and a 33.3 mpg CAFE standard vehicle is \$27.32. The difference in fuel taxes between a primarily powered 106 mpge alternative fuel vehicle and a 33.3 mpg CAFE standard non-hybrid vehicle is \$42.29. While the additional fee of \$25 is slightly less than a reasonable additional fee for a partially powered vehicle, the fee of \$75 is much more than needed to make up the difference in fuel taxes for primarily powered alternative vehicles.

I imagine owners of electric and alternative fuel vehicles aren't trying to evade paying their share of the maintenance of Michigan roads and bridges. They aren't asking for thanks for leaving more gas at the pump for others or thanks for emitting less air pollution than other vehicles. They're just looking for equitable, fair treatment. House Bill 4608 as introduced is unfair to electric and alternative fuel vehicle owners. However, if the bill was amended to closely resemble proportional fuel taxes, I would support the bill and I would encourage others to do the same.

Finally, I noticed that the bill crosses out the word "tax" and inserts the word "fee." I suppose that way legislators can say they eliminated taxes. The effect on residents though, will be meaningless.

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